

WORKSHARING DISCOUNTS

Note: Revisions of 3/23/2023 are discussed at the end of this Preface in **bold**.

I. PREFACE

A. Purpose and Content

USPS-FY22-3 reports worksharing discounts, cost avoidances and passthroughs for market dominant products for FY 2022.

B. Predecessor Documents

Docket No. ACR2021, USPS-FY21-3. Annual Compliance Determination FY 2021 Chapter II (March 29, 2022).

C. Methodology

Costs avoided due to worksharing are developed in the input folders identified in the Input/Output section below. The cost methodologies used are described in the individual input folders. Discounts are developed by taking the differences between the current prices of the workshared pieces and benchmark pieces as shown in USPS Notice 123—Price List, effective October 5, 2022. Passthroughs are calculated for each discount as the ratio of the discount to the avoided cost. For the Periodicals class, bundle and container prices are presented as a percentage of cost. It should be noted that these calculations are not cost avoidances or worksharing passthroughs.

D. Input/Output

This folder relies on estimates of costs avoided due to worksharing, developed in folders USPS-FY22-10, USPS-FY22-11, USPS-FY22-12, USPS-FY22-13, USPS-FY22-15, USPSFY22-18, USPS-FY22-19, and USPS-FY22-21. Discounts rely on prices from USPS Notice 123—Price List, effective October 5, 2022. Specific sources are listed at the bottom of each table in USPS-FY22-3.

II. ORGANIZATION

In addition to this Preface, USPS-FY22-3 includes an Excel workbook entitled FY22.3.Worksharing Discount Tables.xls. This workbook contains seventeen

worksheets showing the benchmark pieces, discounts, cost differentials, and passthroughs for each type of worksharing offered in FY 2022 for market dominant products. The following worksheets are included:

FCM Single Piece Letters,Cards

FCM Bulk Letters, Cards

FCM Flats

Passthrough Outside County

Per. Bundle-Container Pricing

Passthroughs_WC

Within County Worksheet

Marketing Mail Letters

Marketing Mail Flts Prst Prebcd

Flats & Parcels Dropship

Marketing Mail Prcls&Mkt Prcls

Marketing Mail Carrier Route

Marketing Mail HD-Sat Letters

Marketing Mail HD-Sat Flts&Prcl

Media Mail & Library Mail

Bound Printed Matter Flats

Bound Printed Matter Parcels

In addition to the above Excel spreadsheet, one additional workbook is included to support the calculations of dropship passthroughs resulting from Order No. 4227 (November 20, 2017) in Docket No. RM2017-11. This workbook provides the volumes needed to calculate the passthroughs using the approved methodology. This file is: FY2022 USPS Marketing Mail BD – Public ACR.xlsx.

Revisions of 3/23/2023: The purpose of these revisions is to correct small errors in USPS-FY22-3 identified in Question 13-16 of ChIR No. 4 (January 13, 2023) in this docket, and in Questions 1-3 of ChIR No. 3 (March 22, 2023) in Docket No. RM2023-4. The errors arose because of a misalignment between folder 3 and the final version of the relevant cost avoidance model folders that were ultimately filed on December 29, 2022. The revised Excel spreadsheet corrects all of those errors and brings folder 3 into alignment with the cost avoidance estimate

folders. Revised tabs (and within those tabs) corrected cells are highlighted. The single replacement Excel file provided constitutes a partial replacement of USPS-FY22-3 material, and the other portions of the original folder are unaffected.